

INMATE HEALTH INSURANCE AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill modifies the Insurance Code by requiring an insurance company providing health or accident policies to coordinate benefits for an insured individual housed in a correctional facility or who is in the custody of the Department of Corrections.

Highlighted Provisions:

This bill:

- ▶ provides that, if an insured is otherwise eligible for benefits under a policy, an accident and health insurer may not exclude coverage for an insured who:
 - is an inmate housed in a correctional facility; or
 - is an offender in the custody of the Department of Corrections;
- ▶ requires that an accident and health insurer coordinate benefits for an insured who is:
 - an inmate housed in a correctional facility; or
 - an offender in the custody of the Department of Corrections;
- ▶ requires an inmate who has medical or dental insurance coverage, upon entering into the Department of Correction's custody, to use that coverage as primary payer for medical and dental costs incurred while in the custody of the Department of Corrections; and
- ▶ provides specified exemptions regarding coverage by an inmate's health or dental insurance policy, including injuries to the insured caused by physical violence.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-613, as last amended by Laws of Utah 2005, Chapter 78

31A-22-619, as last amended by Laws of Utah 2009, Chapter 11

64-13-30, as last amended by Laws of Utah 2009, Chapter 258

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 31A-22-613 is amended to read:

31A-22-613. Permitted provisions for accident and health insurance policies.

The following provisions may be contained in an accident and health insurance policy, but if they are in that policy, they shall conform to at least the minimum requirements for the policyholder in this section.

(1) Any provision respecting change of occupation may provide only for a lower maximum benefit payment and for reduction of loss payments proportionate to the change in appropriate premium rates, if the change is to a higher rated occupation, and this provision shall provide for retroactive reduction of premium rates from the date of change of occupation or the last policy anniversary date, whichever is the more recent, if the change is to a lower rated occupation.

(2) Section 31A-22-405 applies to misstatement of age in accident and health policies, with the appropriate modifications of terminology.

(3) Any policy which contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy is not effective, and if that date falls within a period for which a premium is accepted by the insurer or if the insurer accepts a premium after that date, the coverage provided by the policy continues in force, subject to any right of cancellation, until the end of the period for which the premium was accepted. This Subsection (3) does not apply if the acceptance of premium would not have occurred but for a misstatement of age by the insured.

(4) (a) If an insured is otherwise eligible for maternity benefits, a policy may not contain language which requires an insured to obtain any additional preauthorization or preapproval for customary and reasonable maternity care expenses or for the delivery of the child after an initial preauthorization or preapproval has been obtained from the insurer for prenatal care. A requirement for notice of admission for delivery is not a requirement for preauthorization or preapproval, however, the maternity benefit may not be denied or diminished for failure to provide admission notice. The policy may not require the provision of

64 admission notice by only the insured patient.

65 (b) This Subsection (4) does not prohibit an insurer from:

66 (i) requiring a referral before maternity care can be obtained;

67 (ii) specifying a group of providers or a particular location from which an insured is
68 required to obtain maternity care; or

69 (iii) limiting reimbursement for maternity expenses and benefits in accordance with the
70 terms and conditions of the insurance contract so long as such terms do not conflict with

71 Subsection (4)(a).

72 (5) An insurer may only represent that a policy:

73 (a) offers a vision benefit if the policy:

74 (i) charges a premium for the benefit; and

75 (ii) provides reimbursement for materials or services provided under the policy; and

76 (b) covers laser vision correction, whether photorefractive keratectomy, laser assisted
77 in-situ keratomelasis, or related procedure, if the policy:

78 (i) charges a premium for the benefit; and

79 (ii) the procedure is at least a partially covered benefit.

80 (6) If an insured is otherwise eligible for benefits under a policy, an accident and health
81 insurer may not exclude coverage if the insured is an:

82 (a) inmate housed in a correctional facility as defined in Section 64-13-1; or

83 (b) offender in the custody of the Department of Corrections.

84 Section 2. Section **31A-22-619** is amended to read:

85 **31A-22-619. Coordination of benefits.**

86 (1) The commissioner shall:

87 (a) convene a group of health insurers and health care providers for the purpose of
88 making recommendations to the Legislature regarding an efficient method of coordination of
89 benefits to increase the timeliness and accuracy of coordination of benefits;

90 (b) report to the Legislature's Health Reform Task Force before November 15, 2009
91 regarding legislation to enact the recommendations developed under Subsection (1)(a); and

92 (c) adopt rules concerning the coordination of benefits between accident and health
93 insurance policies.

94 (2) Rules adopted by the commissioner under Subsection (1):

(a) may not prohibit coordination of benefits with individual accident and health insurance policies; ~~and~~

(b) shall apply equally to all accident and health insurance policies without regard to whether the policies are group or individual policies~~[-]; and~~

(c) shall require an accident and health insurer to coordinate benefits for an insured who is an:

(i) inmate housed in a correctional facility as defined in Section 63-13-1; or

(ii) offender in the custody of the Department of Corrections.

Section 3. Section **64-13-30** is amended to read:

64-13-30. Expenses incurred by offenders -- Payment to department or county jail -- Medical care and copayments.

(1) (a) The department shall establish and collect from each offender on a work release program the reasonable costs of the offender's maintenance, transportation, and incidental expenses incurred by the department on behalf of the offender.

(b) Priority shall be given to restitution and family support obligations.

(c) The offender's reimbursement to the department for the cost of obtaining the offender's DNA specimen, under Section 53-10-404 is the next priority after Subsection (1)(b).

(2) The department, under its rules, may advance funds to any offender as necessary to establish the offender in a work release program.

(3) (a) The department or county jail may require an inmate to make a copayment for medical and dental services provided by the department or county jail.

(b) For services provided while in the custody of the department, the copayment by the inmate is \$5 for primary medical care, \$5 for dental care, and \$2 for prescription medication.

(c) For services provided outside of a prison facility while in the custody of the department, the offender is responsible for 10% of the costs associated with hospital care with a cap on an inmate's share of hospital care expenses not to exceed \$2,000 per fiscal year.

(4) (a) An inmate who has assets exceeding \$200,000, as determined by the department upon entry into the department's custody, is responsible to pay the costs of all medical and dental care up to 20% of the inmate's total determined asset value.

(b) After an inmate has received medical and dental care equal to 20% of the inmate's total asset value, the inmate will be subject to the copayments provided in Subsection (3).

(5) The department shall turn over to the Office of State Debt Collection any debt under this section that is unpaid at the time the offender is released from parole.

(6) An inmate may not be denied medical treatment if the inmate is unable to pay for the treatment because of inadequate financial resources.

(7) (a) An inmate who, upon entering into the department's custody, has medical insurance or dental insurance coverage shall use that coverage as the primary payer for medical and dental costs incurred while in the custody of the department, except as limited under Subsection (7)(b).

(b) Any insurance policy held by an inmate for medical or dental care is not required under Subsection (7)(a) to provide coverage for:

(i) incidents involving the self harm of the inmate;

(ii) injuries sustained by the inmate as a result of an act of physical violence committed either upon or by the inmate; or

(iii) situations where the department has reason to believe, based on a medical evaluation of the inmate, that the inmate sought the medical or dental care knowing that an underlying medical or dental need did not exist.